



Serving the People of California

**ANNUAL
RECONCILIATION STATEMENT**

PLEASE TYPE THIS FORM—DO NOT ALTER PREPRINTED INFORMATION

00071297

YEAR ENDED _____ DUE _____

DELINQUENT IF
NOT POSTMARKED
OR RECEIVED BY _____

YEAR

EMPLOYER ACCOUNT NO.

DEPT. USE ONLY		DO NOT ALTER THIS AREA						
		P1	P2	C	P	U	S	A
		EFFECTIVE DATE Mo. Day Yr.						

FEIN

ADDITIONAL
FEINSCHECK
BOX IF:

A. NO WAGES PAID THIS YEAR

B. OUT OF BUSINESS / FINAL STATEMENT

C. TOTAL SUBJECT WAGES PAID THIS CALENDAR YEAR >

D. UNEMPLOYMENT INSURANCE (UI)

(Total Employee Wages up to \$ _____ per employee per calendar year)

(D1) UI %

(D2) UI TAXABLE WAGES

(D3) UI CONTRIBUTIONS

TIMES

=

E. EMPLOYMENT TRAINING TAX (ETT)

(E1) ETT %

TIMES

UI Taxable Wages (D2)

(E2) ETT CONTRIBUTIONS

=

F. STATE DISABILITY INSURANCE (SDI)

(Total Employee Wages up to \$ _____ per employee per calendar year)

(F1) SDI %

(F2) SDI TAXABLE WAGES

SDI EMPLOYEE

(F3) CONTRIBUTIONS WITHHELD

TIMES

=

PIT WITHHELD PER FORMS W-2
AND/OR 1099 R

G. CALIFORNIA PERSONAL INCOME TAX (PIT) WITHHELD >

H. SUBTOTAL (Add Items D3, E2, F3 and G) >

I. LESS: TAXES AND WITHHOLDINGS PAID FOR THE YEAR >
(DO NOT INCLUDE PENALTY AND INTEREST PAYMENTS)

J. TOTAL TAXES DUE OR OVERPAID (Item H minus Item I) >

If amount due, prepare a Payroll Tax Deposit, DE 88, and mail to P.O. Box 826276, Sacramento, CA 94230-6276. Mailing payments with DE 7 delays payment processing and may result in an erroneous penalty and interest charges. **Mandatory EFT filers must remit all SDI/PIT deposits by EFT to avoid Non-Compliance Penalty.**

HELP US IMPROVE THE QUALITY OF OUR EMPLOYMENT TAX SERVICES. PLEASE RATE OUR CURRENT SERVICES BY ENTERING THE APPROPRIATE NUMBER IN THE BOX:

4 = EXCELLENT 3 = GOOD 2 = FAIR 1 = POOR

K. Be sure to sign this declaration: *I declare that the information herein is true and correct to the best of my knowledge and belief.*

Signature _____ Title _____ Phone (____) _____ Date _____

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(Owner, Accountant, Preparer, etc.)

SIGN AND MAIL TO: State of California / Employment Development Department / P.O. Box 826286 / Sacramento CA 94230-6286

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INSTRUCTIONS AND INFORMATION FOR COMPLETING ANNUAL RECONCILIATION STATEMENT
FOR ASSISTANCE IN COMPLETING THIS FORM, obtaining additional forms or any information, contact the nearest
EMPLOYMENT TAX CUSTOMER SERVICE OFFICE listed below. PLEASE TYPE ALL INFORMATION

INSTRUCTIONS

You must file this return even though you had no payroll. If you had no payroll, check the box for Item A and complete Item K.

Verify /enter your Federal Employer Identification Number (FEIN):
The number should be the same as your federal account number. If the number is not correct, line it out and enter correct number. If you have more than one FEIN relating to the state number, enter the additional FEINs in spaces indicated.

ITEM A. No Wages Paid This Year- Check this box if you did not pay subject wages during the calendar year.

ITEM B. Out of Business/Final Statement- Check this box if you quit business and this is your final statement.

NOTE: IF YOU QUIT BUSINESS, YOU MUST FILE THIS FINAL STATEMENT AND THE QUARTERLY WAGE AND WITHHOLDING REPORT AND PAY ANY AMOUNTS DUE WITHIN 10 DAYS OF QUITTING BUSINESS TO AVOID PENALTY AND INTEREST.

ITEM C. Total Subject Wages - Enter the total of ALL remuneration payable for personal services paid during the calendar year.

ITEM D. Unemployment Insurance (UI)

D1. UI Rate - Note: *If you had a rate change which was not effective for the entire year, you will need to file a separate Annual Reconciliation Statement for the period of time covered by each rate. For tax rate or benefit charge information, call (916) 654-6573.*

D2. UI Taxable Wages - Enter total UI taxable wages for the year. DO NOT INCLUDE EXEMPT WAGES.

D3. Employer's UI taxes - Multiply D1 by the amount entered in D2 and enter this calculated amount in D3.

ITEM E. Employment Training Tax (ETT)

E1. ETT rate E2. Employment Training Tax - Multiply E1 by the amount entered in D2 and enter this calculated amount in E2.

ITEM F. State Disability Insurance (SDI)

F1. SDI Rate

F2. SDI Taxable Wages - Enter total SDI taxable wages for the year. DO NOT INCLUDE EXEMPT WAGES.

F3. Multiply F1 by the amount entered in F2 and enter this calculated amount in F3.

ITEM G. California Personal Income Tax (PIT) Withheld

Enter total California Personal Income Tax withheld, as reported on Forms W-2, and/or 1099-R. **NOTE: DO NOT SEND W-2's TO EDD.**
CAUTION: TO AVOID A POTENTIAL ASSESSMENT, DO NOT ENTER TOTAL WAGES, FEDERAL WITHHOLDING, OR TOTAL PAYMENTS MADE FOR THE YEAR.

All magnetic media of 1099-R must be submitted to:

Franchise Tax Board ATTN: Magnetic Media Coordination, #599
P.O. Box 942840 Sacramento, CA 94240-6090

ITEM H. Subtotal - Add Items D3, E2, F3, and G, enter the SUBTOTAL box.

ITEM I. Taxes and Withholdings paid for the year - Total of all payments of UI, ETT, SDI and PIT paid for this calendar year.

NOTE: *Do not include any payments made during the year for any prior years, or payments for penalty and interest.*

ITEM J. Total Taxes Due or Overpaid - Item H minus Item I (this should be zero if all payments have been properly paid). If amount is due, prepare a Payroll Tax Deposit coupon (DE 88), designate the correct quarter, and mail a check or money order. If taxes are overpaid, a refund will be generated.

ITEM K. Signature of preparer or responsible individual, including title, phone number, and date.

THIRD PARTY SICK PAY

Third Party Payers of Sick Pay: Include withholdings for Third Party Sick Pay in Item G. Attach a copy of the third party sick pay statement provided to the employer.

Employers: Include third party sick pay in lines C, D, and E. **DO NOT** include third party sick pay withholdings in lines G or H. Attach a copy of third party sick pay statement provided by the payer.

INFORMATION

FILING THIS STATEMENT - This statement must report all UI/SDI subject California wages paid and California Personal Income Tax withheld during the calendar year as shown on the Forms W-2 and/or 1099-R.

NOTE: DO NOT SEND W-2's TO EDD.

PENALTY of \$1,000.00 or five percent (5%) of the taxes required to be reconciled will be imposed for failure to file this statement within 30 days of notice to the employer of his/her failure to file. Interest accrues from the **delinquent date of January 31st of the following year.**

QUARTERLY PAYMENTS: UI, ETT, and SDI and PIT withholdings are required to be paid at least quarterly throughout the year (SDI and PIT may be paid more often—see below). If you desire to remit these taxes more often you may do so by sending your payment with a Payroll Tax Deposit coupon (DE 88).

NEXT BANKING DAY/SEMI-WEEKLY/MONTHLY DEPOSITS:

Deposits of withheld employee SDI taxes and PIT may be required throughout the year, depending upon the amount of PIT withheld and federal deposit requirements. Penalty and interest will be charged on late deposits.

If business was discontinued or if a change in ownership occurred during the period covered by this Annual Reconciliation Statement, each ownership must file a separate statement covering only that part of the year during which the particular ownership operated.

TAXABLE WAGE LIMITS AND EXEMPT WAGES—Individual employee wages are taxable to specific limits per calendar year (UI/ETT is **\$7,000** and SDI is **\$31,767**). Wages for each employee in excess of the maximum shown on Item D are exempt from the UI tax and ETT, and wages for each employee in excess of the maximum shown in Item F are exempt from the SDI tax.

If an active business was taken over and continued, wages paid by the former ownership shall be counted toward the UI, ETT, and SDI taxable limits by the new ownership. Otherwise, wages paid by other employers are not to be counted toward the taxable limits.

If an employer paid wages to the same employee for work in another state and reported the wages to the other state for UI purposes, the out-of-state wages shall also be counted toward the UI taxable limits. These wages are NOT used in computing the taxable limit for SDI.

Employers who would like to participate in Electronic Funds Transfer (EFT) filing, contact EDD's EFT Unit at (916) 654-9130.

FOR MORE INFORMATION ABOUT COMPLETING THIS FORM, PLEASE REFER TO THE CALIFORNIA EMPLOYER'S GUIDE (DE44) OR CONTACT YOUR LOCAL EMPLOYMENT TAX CUSTOMER SERVICE OFFICE LISTED BELOW.

HELP US IMPROVE. Rate the quality of our Employment Tax Services on a scale of 1-4 and enter the number in the box provided. Attach any comments on a separate sheet of paper.

EMPLOYMENT TAX CUSTOMER SERVICE OFFICES

Bakersfield (661) 395-2896	Laguna Hills (949) 768-6102	Pleasant Hill (925) 977-8265	San Mateo (650) 358-4102
Capitola (831) 464-6293	Long Beach (562) 428-0021	Sacramento (916) 464-3502	Santa Monica (310) 576-6400
Chico (530) 895-4401	Los Angeles (323) 669-7670	San Bernardino (909) 383-4176	Santa Rosa (707) 576-2094
Downey (562) 923-1237	Modesto (209) 576-6205	San Diego (619) 516-1920	Stockton (209) 956-1438
Escondido (760) 737-2200	Monterey (831) 649-2902	San Francisco (415) 929-5700	Van Nuys (818) 901-5208
Eureka (707) 445-6522	Oakland (510) 577-2396	San Jose (408) 277-9400	Ventura (805) 654-4506
Fresno (559) 445-5132	Orange (714) 288-2601	San Luis Obispo (805) 549-3512	Visalia (559) 635-3220

Out-of-state employers contact the Tax Office at (916) 464-3502.

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